

Council Presentation

Real Property Tax Task Force, Proposed New Model of Taxation
February 12, 2004 (2:30 pm)

I. Introduction, Eric Knutzen

- A. Goal: Improved RP taxation model, 28 meetings
- B. Criteria: Eight specific criteria developed
- C. Vision: Predictability, Equitability and Clarity

II. Premises, Mike Dyer

- A. Background, problems facing taxpayers which brought the need for change forward
- B. Creating predictability, rather than being tied to the volatility and cyclical changes of the real estate market
- C. Focus taxes on improvements, rather than market valued land, to parallel the expenditure of county services
- D. Highest and best use
- E. Appeal process kinder and gentler, fewer appeals
- F. 16 different tax rates
- G. Long Term rentals encouraged

III. Proposed Model, Steve

- A. Land Assessments - Base Year + CPI
- B. Building Assessments - Depreciated Replacement Cost
- C. Tax Rates - Building to Land Tax Rate Ratio of 3:1
- D. Timeshare - Repeal Ordinance
- E. Tax Relief - Various
- F. Agricultural Dedications - Revisit Values
- G. Appeals - New Grounds
- H. Table 1 - Compare 2003 with 2004 (estimated valuations)
- I. Table 2 - Estimated 2004 Taxes
- J. Table 3 - Impact of the proposed model if enacted today
- K. Honolulu CPI - show CPI slide, last 10 yrs
- L. Simulation of multiple parcels of different types, representing at least ten of the most common on island (presentation by Dottie)
- M. Show list of current exemptions